

## Legislation Details (With Text)

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**File #:** 18-285      **Version:** 1

**Type:** Resolution      **Status:** Agenda Ready

**In control:** City Council

**On agenda:** 6/25/2018      **Final action:** 6/25/2018

**Title:** Transfer of FY 2018 budget appropriations.

Ward(s): All Wards  
Councilor(s): All Councilors  
Neighborhood(s): All Neighborhoods

**Sponsors:****Indexes:****Code sections:****Attachments:** 1. Resolution 2018-70

Date	Ver.	Action By	Action	Result
6/25/2018	1	City Council	adopted	Pass

**TO:** Mayor and City Council**THROUGH:** Steve Powers, City Manager**FROM:** Kacey Duncan, Deputy City Manager**SUBJECT:**

Transfer of FY 2018 budget appropriations.

Ward(s): All Wards  
Councilor(s): All Councilors  
Neighborhood(s): All Neighborhoods**ISSUE:**

Shall the City Council adopt Resolution 2018-70, authorizing transfers of appropriations within the City budget in order to maintain compliance with Oregon budget law?

**RECOMMENDATION:**

Adopt Resolution 2018-70, authorizing transfers of appropriations within the City budget in order to maintain compliance with Oregon budget law.

**SUMMARY AND BACKGROUND:**

State law allows the City Council to approve transfers of appropriations within the appropriation limits established by the Budget Committee for each fund. A transfer resolution makes changes to the fiscal budget.

Resolution No. 2018-70 transfers a total of \$708,700 within the FY 2018 budget to maintain compliance with Oregon budget law. The City's FY 2018 budget for all funds totals \$496,550,460. The General Fund is \$129,982,570.

## **FACTS AND FINDINGS:**

### Fund 101, General Fund

#### Parks Operations

During the eclipse event in August 2017, Parks Operations incurred additional, unanticipated expenses. Efforts were made during the course of the fiscal year to offset the eclipse expenses with savings elsewhere in the Parks Operations' budget. Despite those efforts, it is necessary and prudent to transfer \$94,050 from General Fund contingencies to ensure the Parks Operations' budget remains compliant with budget law.

In addition, Parks Operations has incurred unanticipated overtime expense as the division staffed water distribution stations in the community. While the cost of this overtime may be recouped from the Utility Fund, it is necessary to ensure Parks Operations has sufficient appropriation authority to expend the dollars. It is recommended to increase overtime expense by \$33,750.

From: Non Departmental, Contingency, 101-60961000-61110, \$127,800

To: Parks Operations Division, Personal Services, 101-21501000-51030, \$33,750  
Parks Operations Division, Materials and Services, 101-21501000-52130, \$94,050

#### Police

The Salem Police Employees Union (SPEU) labor agreement allows represented employees to cash out any amount available of accrued holiday time for payment in the last paycheck of June. It is not possible to know how much time employees will elect to cash out; however, the estimated liability could be as much as \$550,000.

A \$100,000 appropriation transfer from General Fund contingency coupled with anticipated savings in the Police Department's FY 2018 budget should be sufficient to address the potential cost and maintain budgetary compliance. If the additional \$100,000 is not needed by June 30, 2018, it will accrue in ending working capital for the General Fund.

From: Non Departmental Contingencies, 101-60961000-61110, \$100,000

To: Police Department, Patrol Division, Personal Services, 101-35352010-51120, \$100,000

#### Non-Departmental

During FY 2018 some expenses associated with the property identified for the new police station were incurred in the Non-Departmental cost center of the General Fund in advance of the property purchase. As those expenses were not anticipated in the budget, a transfer of appropriation from

contingency is necessary.

In addition, carryover funding for the parking meter kiosk installation project was appropriated in the capital outlay category. The project expenses are being incurred in the materials and services category requiring the transfer of appropriation as detailed below.

Police Station Property Lease and Associated Expenses

From: Non-Departmental Contingencies, 101-60961000-61110, \$150,000

To: Non-Departmental, Materials and Services, 101-60961000-52670, \$100,000; and  
Non-Departmental, Materials and Services, 101-60961000-53520, \$50,000

Parking Meter Kiosk Project

From: Non-Departmental, Capital Outlay, 101-60961000-55130, \$270,900

To: Non-Departmental, Materials and Services, 101-60961000-52670, \$270,900

Fund 175, Cultural and Tourism Fund

The City's Finance Division performed extensive audits in accordance with Salem Revised Code 37 by reviewing the tax collection and remittance practices of 77 Salem lodging establishments, as well as numerous intermediaries or booking agents during FY 2018. It was discovered that an intermediary service, Priceline, had been collecting and remitting transient occupancy tax for Keizer lodging to the City of Salem. With this discovery, the City of Salem was obligated to determine the amount of erroneous payment and provide reimbursement to the City of Keizer. The reimbursement amount, \$30,834.50, is proposed to be repaid prior to the end of FY 2018. As this expense was not anticipated in the budget, and because there is currently a small variance between budgeted and actual expenditures in this fund, it is recommended to transfer \$60,000 from the Cultural and Tourism Fund contingency to the materials and services expense category. If the full, additional \$60,000 is not needed by June 30, 2018, any remaining amount will accrue in ending working capital for the fund.

Reimbursement of Transient Occupancy Tax Revenue

From: Non-Departmental Contingencies, 175-60915000-61110, \$60,000

To: Non-Departmental, Materials and Services, 175-60913500-54850, \$60,000

Attachments:

1. Resolution 2018-70